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Development of CSR through the finance department

How can the financial department within a French company contribute to the development of Corporate Social Responsibility?

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The present Bachelor's Thesis is structured around two parts. The first is a literature review which aims to give the reader an understanding of the basic theories of Sustainable Development (SD) and Corporate Social Responsibility (CSR). To do so, we first focus on relevant issues and regulatory frameworks. Then, we will look at the evaluation of performance using CSR indicators. We will present different benchmarks or measurement tools specific to the measurement of CSR performance, such as the Triple Bottom Line, the GRI and the Balanced Scorecard extended to CSR.

We will then describe the financial department at the heart of the CSR system. We will highlight how it supports CSR, but also how it responds to investor pressure.

After this review of the literature, the second part features the actual contribution of this thesis. It highlights how the financial department of a French company can contribute to the development of corporate social responsibility. The fruit of this part will be a case study on the ESG criteria of different French companies in the food industry such as Danone, Pernod Ricard and Fleury Michon. For this, a qualitative approach was used, which allowed the collection of empirical data through the analysis of extra-financial reports and annual reports.

The results of the literature review and case study revealed the importance of CSR, both within companies and in the eyes of shareholders. In addition, we find that ESG is currently the dominant framework for non-financial performance criteria, although the G is often the aspect most examined, largely because it is most closely linked to the financial management of the firm.

The final chapter presents recommendations for French companies regarding the use of ESG criteria.

Keywords	Finance, Sustainability, ESG criteria, Financial department, CSR

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1 Introduction

1.1 Background

Corporate social responsibility (CSR) has become more and more important in recent years. Companies have become aware of the importance of CSR, so they now consider that it is their responsibility to ensure their long-term sustainability, as well as their image and reputation. CSR is indeed the means of implementing a social and environmental approach in companies that has a positive impact on their performance. Most companies believe that investing in CSR is a winning strategy in the long run. It motivates employees, attracts new talent, convinces customers and reduces costs. Nevertheless, many companies are reluctant to fully engage in a CSR approach because they consider it is an illusion to have a positive influence on their economic performance.

The financial department of a company verifies that the expenses that the decision-makers want to incur to ensure the development strategy are achievable at the present time. If they are not, the role of the finance department is to determine the actions that will allow the company to find the balance. Thus, the financial department must ensure and verify:

- the company's profitability, i.e. its capacity to achieve sufficient turnover to be self-financing;
- the company's solvency, i.e. its ability to repay its debts and borrowings in the short, medium and long term;
- good cash management, i.e., the ability to generate enough revenues to cover the company's operating cycle;

In short, the finance department and its Chief Financial Officer (CFO) plan the company's development strategy alongside the management team. For this, it must also be aware of the economic and regulatory context in which it operates and anticipate future upheavals and their impact on the company's financial health. In a very broad sense, the finance department must know its market: the evolution of competitors, suppliers and all the players that revolve around the company.

Today, CSR is commonly regarded as one of the company's performance indicators. Unfortunately, CSR-related performance measures are rarely included in the financial department's steering tools. The indicators mainly used relate to financial performance and, when they deal with the impact of strategic actions related to CSR, it is in financial terms that the measurement is carried out.

1.2 Research question

The issue of global warming gives a whole new dimension to the issue of CSR in companies. CSR is a real performance lever for the company, a means of improving its economic, financial and social efficiency, its competitiveness and its long-term profits. It enables companies to define an ethical charter, set up quality assurance programmes, communicate internally and externally, and set up a social watch policy to be socially responsible. A company is socially responsible "if it voluntarily integrates social, environmental and economic concerns into its business activities and interactions with stakeholders[1]", as defined in the Green Paper published by the European Commission in 2001. In addition, it allows companies to differentiate themselves from each other and differentiation is a performance criterion.

Given the CFO’s position within the company, it is up to him/her to be responsible for CSR performance tools. Indeed, management control is at the heart of the relationship between global responsibility and the economic performance of companies. Quairel-Lanoizelée (2006) points out that

> "in the field of corporate social responsibility, current global performance assessment systems are related to stakeholders' expectations and measured by agents outside the company (extra-financial rating, rankings and prices, reputation surveys...). These evaluation and rating systems are the subject of numerous publications, while the performance measurement systems implemented internally by the company to support the deployment of an announced Sustainable Development (SD) strategy, as part of an extended management audit, are rarely, if ever, studied by the academic literature."[2]

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[1] A stakeholder is any internal or external actor linked to the company and who is therefore concerned by its commitments in terms of social responsibility. Development is therefore defined as sustainable when it meets the needs of stakeholders.

[2] « Dans le domaine de la responsabilité sociétale de l’entreprise, les dispositifs actuels d’évaluation de la performance globale sont relatifs aux attentes des parties prenantes et mesurés par des agents extérieurs à l’entreprise (notation extra-financière, classements et prix, enquêtes de réputation...). Ces dispositifs d’évaluation et de notation font l'objet de nombreuses publications alors que les systèmes de mesure de performances mis en œuvre en interne par l’entreprise pour accompagner le déploiement d’une stratégie de développement durable annoncée, dans le cadre d’un contrôle de gestion élargi sont peu, voire pas étudiés par la littérature académique. »

With globalisation and the existence of global organisations for the protection of the environment and the well-being of society, companies that create negative externalities on the environment are forced to implement a policy of societal or corporate social responsibility. However, this policy often runs counter to the first and only objective of the company as defined by Friedman (1970), who considers that the company should only seek to improve its financial performance for the benefit of its shareholders. Thus, in order to succeed in socially responsible activities without upsetting shareholders, better management of corporate social or societal responsibility is necessary. To this end, several management tools are used. This study focuses on the management of CSR in French companies. The problematic of this research can be formulated as follows: How can the financial department within a French company contribute to the development of Corporate Social Responsibility?

1.3 Structure Scope

The research objective is to explore the existence of CSR management practices within the financial department and to identify the tools implemented for this management. This will enable us to understand the structure of the management tools used for CSR management in French companies.

The thesis will begin with a theoretical part that will consist of an overview of the literature on sustainable development, corporate social responsibility, the finance department and how they relate to each other. The methodology section will include the research methods and models used to conduct the research for this case study. The section will explain why the selected methods were used in this research. After detailing the research method, the thesis will explain the overall research and the research sample as well as review the data and results obtained through the research. Finally, the thesis will include a discussion based on the results of the research and conclude the topic.

The references used throughout the study have been listed at the end of the thesis.

2 Literature Review

To answer this problem, we will discuss first CSR, followed by the financial department, and thereafter explore how these two subjects are linked together.

2.1 CSR: Approaches and tools

2.1.1 Definition and issues

The European Commission (2011: 6) defines corporate social responsibility as "the responsibility of companies for the effects they have on society". CSR (Corporate Social Responsibility) is the application of the principles of Sustainable Development (SD) at the level of a company, an organisation or an association. SD is the evaluation of the company's performance from 3 angles: environmental, social and economic. It is about meeting the needs of the present generation without compromising the ability of future generations to meet theirs.

CSR is the voluntary integration of the social and environmental concerns of companies into their activity and organisation and in their relationship with all their stakeholders. A global approach to performance makes it possible to consider all the company's positive or negative impacts on society and the environment. CSR is then a factor of overall performance for the company, leading it to better understand and control its risks.

CSR is therefore a voluntary commitment by the company beyond its economic and legal obligations. It helps to improve society and make the environment cleaner by considering the impact of its activities on society and the environment. Finally, it maintains good relations with stakeholders[3] by meeting their expectations through ethical and responsible behaviour that ensures their well-being.

There are several reasons to implement a CSR policy. Indeed, it allows a reduction of costs (thanks to a reduction of waste); it is also a factor of innovation (new product, new

[3] Any group or individual that can affect or is affected by the achievement of a company's goals is a stakeholder for example: employees, shareholders, customers, NGOs etc.

use, new demand more eco-responsible), risks are better controlled whether environmental, legal, financial, social or brand image. Moreover, investors are increasingly demanding in terms of CSR. Finally, this allows companies to anticipate regulations.

The twentieth century has left us a legacy of strong economic growth at the global and regional levels, which is the product of two phenomena that are still as active at the beginning of the twenty-first century:
- Technological progress, a factor in increasing productivity in all sectors of the economy, accelerated by the transfer and cross-fertilization of skills.
- A globalized economy, induced by the enlargement of markets (increasing integration of countries into the trade system) and the increase in international financial flows. (Humières, PD., 2005: 4)

That is why the global environment is faced with very real SD challenges. Patrick D'Humières (Humières, PD., 2005: 3) identifies seven of them: economic; social; health; ethical and regulatory; cultural; financial and environmental.

Table 1. The sustainable development issues on the micro-economy (Humières, PD 2005: 3)

Economic	Poverty reduction Further growth and employment Access to essential goods (energy, water, transport...) Infrastructure financing
Social	Status of Women Safety at work Well-being Subcontracting Offshoring
Health	Access to care and medication Control and Hazardous Materials Disease eradication
Ethical and regulatory	Respect for human rights Fight against corruption, mafias and money laundering How international rules work Good governance
Cultural	Respect for identities Information pluralism and quality Heritage transmission Access to education
Financial	Solvency of institutions Business ethics Debt Management Pension coverage Prevention of major risks
Environmental	Greenhouse Gas Management Global warming Deforestation Waste treatment Water Resource Biodiversity

The actions of actors such as states, institutions, companies and individuals more or less promote the resolution of these issues that is why a regulatory framework is essential.

2.1.2 Regulatory frameworks

CSR has a non-uniform international trend with a multitude of international, European and national label standards or charters. We will focus here on the standards that apply to France.

At the international level, there are several levers to guide the activity of companies and encourage them to take better account of their social and environmental responsibilities. There are several standards such as the **ISO 26 000 standard**, or **the ISO 14 000 family**. ISO standards are created by the International Organization for Standardization (in

France: AFNOR), a non-governmental organisation that federates a network of more than 160 associations worldwide. The ISO 26000 standard, published since 1 November 2010, is a comprehensive thematic reference that establishes guidelines for the social responsibility of companies and organisations in general, i.e. it defines how organisations can and must contribute to SD. The company applying for this standard is audited every three years by a third-party organisation. It applies internationally. Regardless of a company's size or field of activity, the IS0 26000 standard describes the principles and topics covered by social responsibility and proposes a method of implementation. Non-binding, ISO 26000 is intended to be generalist, and is therefore aimed at all structures. It is not a management system, but an approach whose implementation can be assessed by independent bodies, which will result in a score... but not in certification.

The ISO 14000 family of standards is the set of standards for environmental management. Together, these standards form a tool to harmonize the approach of organisations to environmental management. The most famous and widely used standard in this series is ISO 14001. It defines a set of requirements that an organisation's environmental management system must meet before it can be certified - by an external body and for a limited period - as complying with the standard.

The **United Nations Global Compact** is based on the voluntary commitment of the 6,000 signatory companies. This global economic and social contract sets out the ten major ethical principles that market players must respect in terms of human rights, labour and the environment.

The Charter of the Organisation for Economic Co-operation and Development (OECD) is a set of rules for multinational companies. Of general scope, these guidelines adopted by 42 states set out good practices, in terms of the environment, consumer protection, etc., and are intended to help multinational companies to comply with the OECD's guidelines. The signatory states undertake to encourage large companies.

The **European regulation EMAS**, Eco Management and Audit Scheme, provides a framework for voluntary eco-management approaches. A company that fulfils the necessary conditions is awarded a label that it can only communicate on its documents and not on its products.

In France, CSR is strictly regulated. Indeed, several legislative texts provide a framework for social and environmental responsibility. The law of 15 May 2001, known as the **NRE law** (New Economic Regulations), which requires listed companies to include information on the social and environmental consequences of their activity in their management reports.

In 2011, a pillar was added to this law. This is the **Grenelle 2 law**. This additional regulation broadens the category of companies subject to it. These are listed companies with a turnover of more than €100 million or a payroll of more than 500 employees. According to Article 225 of the Grenelle 2 law, companies must now prepare a non-financial performance declaration. From a legal point of view, this declaration replaces the CSR report, which was initially provided for in the law.

Subsequently, several implementing decrees of 2012 and 2013 were put in place. They add the obligations of transparency of companies in social and environmental matters as well as the modalities of exercising an independent third-party body in charge of measuring compliance with regulations. A dedicated CSR platform was even set up in 2013. (Humières PD., 2011)

A review of the evolution of CSR regulatory frameworks in the world and in France allows us to highlight two observations: the growing number of companies concerned by these requirements and the increase in these requirements. The growing number of these tools of regulation by constraint or incentive constitutes an additional element to be integrated by the company's management, on which the responsibility approach is based. ((Humières, PD., 2005: 131)

2.1.3 Indicators

According to the Observatoire sur la Responsabilité Sociétale des Entreprises (ORSE), a SD indicator can be defined as follows: "a quantitative data that makes it possible to characterize an evolving situation, an action or the consequences of an action, so as to evaluate and compare them to their state at different dates. It can, however, be a form of indication or perception, i.e. a qualitative element. ». In addition, its main purpose is to "clarify and define objectives, assess current and future directions with respect to goals and values, evaluate changes, specific conditions over time, and determine the impact of programs and convey messages." (ORSE, 2003: 13-14).

There are different types (process, outcome, performance, comparative and client satisfaction indicators) and different types (qualitative, quantitative, progress and monitoring) of indicators (ORSE, 2003: 13-14).

There are a multitude of tools for measuring corporate progress towards SD and we do not claim to cite or know all of them. However, they do not all address the three pillars of SD. In this work, it was decided to present only those tools that best provide a comprehensive view of performance. Therefore, we will only include some of those that cover all three dimensions of SD and CSR, even if they are still fragmented.

2.1.3.1 Mandatory indicators

According to Patrick D'Humières (2005: 222), mandatory indicators "are specific indicators of legal or regulatory origin, [...] imposed by national legislation on mandatory reporting. ». In other words, all "legal obligations in terms of governance, compliance with basic regulations, notably environmental and social, as well as in terms of economic information". As well as "certain binding elements that emerge from the international conventions ratified and enshrined in law".

France has an elaborate framework for extra-financial transparency and corporate social and environmental responsibility reporting. Indeed, the law of 15 May 2001 on new economic regulations introduced mandatory extra-financial reporting for listed companies. The Act of 12 July 2010 on national commitment to the environment structured the extra-financial reporting system by increasing the volume of information to be provided and extending its scope of application to the largest companies in the commercial, financial, mutual, cooperative and provident sectors.

Extra-financial reporting is defined as the communication by a company of social, environmental, societal and governance information, thus contributing to greater transparency on its activities, characteristics and organisation. As such, it constitutes an important foundation for the company's corporate social responsibility policy towards its stakeholders, citizens and the State.

For a long time, corporate reporting documents have consisted exclusively of financial data enabling shareholders and investors to be informed about the company's financial situation.

With the observation that the activities of companies generate not only economic and financial consequences but also extra-financial consequences (social and environmental consequences), reflections on the publication of non-financial information by companies have gradually developed at the national, European and international levels, giving rise to the development of more or less restrictive regulations.

This reporting is therefore equivalent to the extra-financial performance declaration of companies.

2.1.3.2 Triple Bottom Line

The concept of the Triple Bottom Line was introduced in 1997 by John Elkington and is defined as an accounting framework that incorporates the three dimensions of performance: social, environmental and economic. Since then, the term, and its synonym People, Planet, Profit (3P), has gained particular appeal in the business world. In fact, TBL reporting has become quite common, with 80% of the world's 250 largest companies (G250) reporting. This type of reporting addresses the three main areas affecting society, i.e. the three components of CSR, and is also in line with the consideration and information of stakeholders, desired by CSR (Mintz, 2011: 27).

Table 2. Issues of the Triple Bottom Line

Triple Bottom Line	Issues
•Environmental ("Planet")	Respect for ecosystems regardless of the company's activity. Control of global warming (greenhouse gases), active management of renewable natural resources, control of the use of fossil (and therefore exhaustible) resources, treatment of waste and toxic substances, maintenance of natural biodiversity, guarantee of water availability and quality...
•Social ("People")	Respect for social and human fundamentals whatever the location of the activity: working conditions, wages, non-discrimination, safety. No exploitation or endangerment of employees or the surrounding community. Contribution to development.

•Economic ("Profit")	Legitimate pursuit of profit but in respect of elementary ethical rules such as healthy competition, rejection of corruption and why not aid to local development.

The Triple Bottom Line differs from traditional reporting frameworks in that it includes ecological (or environmental) and social measures to which it may be difficult to attribute appropriate metrics (Slaper; Hall, 2011: 4). This concept may therefore appear misleading, in the literal sense that "bottom-line" means "bottom line". Therefore, by analogy with the economic bottom-line, the TBL should be a single number, aggregating the net results of the three dimensions of SD, in order to give a complete picture of performance. The net result is the difference between revenues (positive externalities) and expenses (negative externalities) for the company (Elkington, 1999: 19-21; Tullberg, 2012: 318-321).

The principle of SD is to balance these three dimensions in order to avoid that the pursuit of one objective is at the expense of the other two. However, it is very complex to measure and then sum the economic, environmental and social components, especially since they do not share the same units of measurement (Elkington ,1999: 19-21). Moreover, a loss in one dimension cannot be offset by a net gain in another. For example, an excessive amount of CO2 emissions can hardly be compensated for by an exemplary gender mix among all employees. Moreover, within one-dimension, certain aspects are difficult to add up. It is complicated to add up water consumption and damage to the habitat of an endangered species. To address these difficulties, indexes have been developed, but these focus more on measuring compliance with certain standards than on measuring overall performance (Tullberg, 2012: 314-315).

Although the principle sounds good in theory, in practice it has not had the desired impact. That is why 25 years later Elkington "recalled" the Triple-Bottom Line (TBL). He said: "Although there have been successes, our climate, water resources, oceans, forests, soils and biodiversity are all under increasing threat". Indeed, he said, brands - despite embracing the concept - continue to put financial gain ahead of other factors. However, this can't last forever as the planet's resources are limited and therefore public demand is changing. People want products that are sustainable and as environmentally friendly as possible. A "responsible" company is committed to conducting its activities in a way that takes into account the needs of its stakeholders.

2.1.3.3 Global Reporting Initiative

One of the recommended indicators is the Global Reporting Initiative (GRI). It is an international initiative involving companies, NGOs, consulting firms and universities to develop a framework and rules for sustainable business. Launched by a US NGO in 1997, its objective is to develop and disseminate guidelines to help companies report on the economic, social and environmental dimensions of their activities, products and services. The GRI is supported by the Federal Government of the United States. In France, ORSE is working on the implementation of the GRI guidelines by companies.

The GRI makes it possible to report on the way in which the company integrates the principles of SD into its past actions and commitments. The objective of the GRI indicators is first and foremost to measure an organisation's performance in terms of SD with regard to regulations, standards, voluntary initiatives or other organisations, but also to communicate and dialogue on this measurement with stakeholders and thus demonstrate the organisation's commitment.

There are several steps to using it. First, the content of the report is determined. The challenge is to define the scope of the report, complete or partial, and the media for dissemination. The organisation is then evaluated by indicators. The GRI is a general framework for all organisations and thus contains both general and sector-specific parts. It proposes a reporting system at three levels (A, B or C) depending on the nature of the indicators assessed. Each organisation defines its own reporting level for the selected indicators. A plus can be stuck to the note if there is an external verification of the indicators set up. Finally, the integration of SD criteria is piloted over time: the organisation can progressively increase its level of integration of SD criteria by improving its score on the one hand and by increasing the number of criteria taken into consideration on the other.

The drafting of a report or the conduct of an audit under the GRI approach is based on the analysis of data reflecting the overall context of the company (its sector, strategy and governance), the management model chosen by the company to deal with this context and the Triple Bottom Line oriented performance indicators.

The GRI therefore has the advantage of providing a useful and progressive framework for steering the SD approach in order to dialogue with stakeholders, monitor the company's performance and take stock of current actions and projects. However, it must be conceived as a permanent system for monitoring and steering the integration of SD principles into the company's strategy and as a support for dialogue with stakeholders.

2.1.3.4 Balanced Scorecard

Any company that wishes to direct its actions and control the results obtained uses management tools such as dashboards. And these dashboards are equally effective in monitoring CSR activities and ensuring that they are integrated into the company's strategy. The Balanced Scorecard (BSC) is one of the most widely used dashboards. It has four dimensions: 1. Finance; 2. Customers; 3. Internal processes and innovation; and 4. Learning. For each of the four dimensions, companies must set their own targets and choose indicators that will reveal whether they have achieved their goals (Kaplan R. et Norton D. 1992: 79).

In fact, the BSC Scorecard is a management tool that aims to balance the financial dimension with other dimensions, i.e. customers, internal processes and human capital. According to the researchers, this multidimensional aspect of the BSC model appears to be more compatible with SD concerns than systems with purely financial logic.

Using the BSC dashboard while a company is establishing its SD strategy will provide it with a real steering tool. It will reveal senior management's vision, serve as a reference framework for actions to be taken and allow for follow-up. While strategic dashboards are important to formalize a shared vision and a reference framework, the operational dashboard creates a real steering system that allows the organisation to be animated, behaviours to converge, actors to be evaluated and the performance of initiatives to be measured. Each company collaborates with the managers of different departments or divisions to choose the indicators that best correspond to it for the operational dashboard to ensure that the activities measured are aligned with the company's strategy. The company then integrates the CSR indicators into the four existing dimensions. Rather than creating a fifth dimension dedicated to CSR, the researchers suggest integrating the CSR indicators directly into the four existing dimensions. In this way, the CSR indicators will be better aligned with the organisational strategy and directly associated with the economic performance of the company.

2.2 The financial department at the heart of the CSR system

2.2.1 How it can support CSR activity

As the role of the finance department is a relatively controversial subject, we will focus on French rules and guidelines.

2.2.1.1 Its role within the company

The finance department has one objective: to maximize the company's value for its long-term shareholders. In other words, it is about maximizing profits over a relatively long-time horizon while limiting the risks incurred. Corporate finance is therefore concerned with investment decisions, financing and remuneration of capital providers.

According to Michel Aglietta, "The impact of these incentives on companies' financial strategy leads to an increase in shareholder value through the distribution of super dividends, share buybacks and debt-financed mergers and acquisitions. These strategies redirect cash flow much more efficiently than productive investment to maximize shareholder wealth in the short term. In total, Smithers observes that there was $1 of cash flow distributed to shareholders for every $15 of investment in 1970, compared to $1 for every $2 of investment in 2012."[4] (Aglietta, M., 2013).

Promulgated on March 29, 2014 in France, the Florange law aims to support long-term shareholding through a key measure: the generalization of double voting rights for registered shareholders who have held their shares for more than two years. This, by strengthening its room for manoeuvre to the detriment of opportunistic, even hostile, speculative shareholder practices. The Florange law was passed with the aim of restoring prospects for the real economy and industrial employment. The law thus gives these

[4] « L'impact de ces incitations sur la stratégie financière des entreprises conduit à élever la valeur actionnariale par distribution de super dividendes, rachats de ses propres actions et fusions acquisitions financées par dettes. Ces stratégies réorientent le cash-flow beaucoup plus efficacement que l'investissement productif pour maximiser la richesse des actionnaires à court terme. Au total Smithers observe qu'il y avait 1$ de cash-flow distribué aux actionnaires pour 15$ d'investissements en 1970, contre 1 pour 2 en 2012. »

players, who have long been present in a company's capital, increased economic power that is not directly correlated to an increase in their shareholding (French Government, 2014).

Initially, the finance function is responsible for allocating to the company the funds necessary for its development, for example by recommending the best financing for an operation, thus helping to rationalise decision-making. The notion of risk is inseparable from the trade-off between the different financing options (self-financing, borrowing). It also establishes financial ratios that enable the company to take stock of its financing capacities and to implement its development strategy. The focus here is not only on profitability, but also on solvency and liquidity.

Any decision involving a financial flow must be taken after consultation with the finance department, be it a manager or a decision-maker. This is a financial, budgetary, strategic and communication function, which means having several strings to your bow to get the job done.

2.2.1.2 The tools at its disposal

The finance department can use the different indicators mentioned above, but there are other indicators specific to finance such as Socially Responsible Investment (SRI) and Social Environment Governance (ESG). A concept closely linked to CSR, this international acronym designates the Environmental, Social and Governance (ESG) criteria that allow an extra-financial analysis of a company. The investor can thus discover whether it is implementing a socially responsible strategy, and particularly how it behaves with the environment and its stakeholders, i.e. its employees, partners, subcontractors and customers. In other words, an investor's measurement of a company's CSR performance is called ESG analysis.

The environmental criterion will analyse its policy of waste management, reduction of greenhouse gas emissions, and whether it is committed to preventing environmental risks in its activity. The social criterion takes into account the prevention of accidents and psychosocial risks, staff training, respect for employee rights, the organisation of the subcontracting chain and the quality of social dialogue. The governance criterion verifies the independence of the Board of Directors, the gender balance within the management team, the management structure and the presence of an audit committee.

Together with a purely financial evaluation, these criteria therefore provide investors with a different way of understanding a company's strategy. These ESG criteria are at the heart of the labelling process for Socially Responsible Investment (SRI) funds, thus ensuring a match between the search for performance and the responsible orientation of one's savings (Chen J., 2020).

Socially Responsible Investment (SRI) is the financing of companies or organisations that are perceived to be both financially profitable and have a positive social and environmental impact. The objective of SRI is therefore to bring financial investments and sustainable development together. In order to avoid purely financial investments and to select companies, funds and other organisations that are compatible with SRI, criteria are put in place (Mikołajek-Gocejna, M., 2018: 26). SRI funds usually have a thematic focus. This allows each investor to focus on the theme that is closest to his heart. “According to GISIR (2016), the largest sustainable investment strategy globally is negative/exclusionary screening ($15.02 trillion), followed by ESG integration ($10.37 trillion) and corporate engagement/shareholder action ($8.37 trillion).” (Mikołajek-Gocejna, M., 2018: 30).

SRI can therefore take 3 main forms (Mikołajek-Gocejna, M., 2018: 26-29):

- Exclusion funds (also known as "ethical investments"): more widespread in Anglo-Saxon countries, they exclude, for moral or religious reasons, certain sectors such as armaments, gambling, tobacco...or even activities considered by their holders to be dangerous for the environment: GMOs, nuclear power.
- Socially responsible or sustainable development funds: they integrate social and environmental criteria for evaluating a listed company which are crossed with financial criteria to select the best performing companies in a portfolio from a sustainable development point of view.
- Shareholder engagement or shareholder activism: this consists, for investors, in demanding from companies a stronger policy of social responsibility, either by directly questioning them or by exercising voting rights at general meetings. It presupposes, which is more frequent in the United States than in Europe, that environmental or social resolutions are on the agenda of general meetings; this can happen if shareholders have had the opportunity to table them, or if the company proposes them

for approval, which is still extremely rare. Such resolutions may, for example, seek to oblige the company to adopt a policy to combat greenhouse gas emissions or prohibit the company from setting up in a disputed country.

2.2.1.3 How finance departments were preventing CSR

Corporate Social Responsibility (CSR) is a critical issue for companies and therefore for financial departments. However, this has not always been the case. Like any innovation, CSR has gone through the three stages inherent in any project, however innovative: the perception of the project goes from "ridiculous" to "dangerous" to "obvious". Indeed, the pioneers of CSR were not taken seriously: ridiculous, idealistic, unrealistic. Then, given the changes it implies, it became dangerous: a source of unemployment, of degradation of our lifestyles. Today, CSR has become obvious: it has its own regulations, it is a source of new high-growth businesses, it brings about major innovations.

In an article published in 1970, Milton Friedman believed that the company's first duty was to create shareholder value. He considered that the manager of a company is the agent of the shareholders and must therefore comply with their objective while respecting the basic rules of the company : “In a free-enterprise, private-property system, a corporate executive is an employee of the owners of the business. He has direct responsibility to his employers. That responsibility is to conduct the business in accordance with their desires, which generally will be to make as much money as possible while conforming to the basic rules of the society, both those embodied in law and those embodied in ethical custom. Of course, in some cases his employers may have a different objective. A group of persons might establish a corporation for an eleemosynary purpose – for example, a hospital or a school. The manager of such a corporation will not have money profit as his objective but the rendering of certain services. “(Friedman, M., 1970: 173 - 174).

It considered that the costs inherent in management that aims to satisfy all stakeholders always end up being borne by consumers and employees. For him, the sole responsibility of companies is to make a profit because shareholders bear most of the risk. From this point of view, there can be no distribution of wealth without profit and the only goal that a company should follow is to achieve maximum short-term profits for its shareholders.

Nevertheless, a company that wants to survive in the long term must be profitable in the short term but should not be an end in itself and it is better to try to create value for all stakeholders.

The Amaeshi & Grayson (2009) survey complements Friedman's (1970) article by stating that "Time is an essential element in the investment decision equation. And this comes up often as one of the challenges in the way of mainstreaming ESG issues, especially as the financial markets are in the main skewed towards short-termism and ESG issues are often long-term oriented".

They also add that, according to some reports, the mentality of managers and investors is detrimental to the mainstreaming of ESG issues, often due to the conventional/traditional education system which is biased towards promoting a dominant view of economic activities - i.e. shareholder orientation and short-termism.

Furthermore, "the three legacies of ESG are not treated equally. In most cases, the G issues are prioritised over E and S issues". Indeed, ESG issues are not considered to be top priorities but environmental and social factors are slowly gaining importance for those who shape and influence the financial community's opinion - but they remain at the bottom of their priority list.

However, even today, there is still real room for improvement. For companies, the choice is between developing a real CSR culture, a source of new growth, or remaining a communication tool without really changing what is increasingly unacceptable to consumers. Whether or not the State and international organizations choose to support this movement, it is now unavoidable, and financial departments must accept it and integrate it into their approaches.

2.2.2 How it responds to pressure from investors

In recent years, social and environmental responsibility has become a focal point in society, and this trend has been reflected in financial markets. Today, some shareholders of both listed and unlisted companies can put pressure on companies to operate in a more environmentally and human-friendly manner. NGOs can also use shareholder engagement to bring controversies to general meetings. Thus, faced with growing pressure from investors, the finance department is forced to use ESG criteria. Indeed, they influence the behaviour of consumers and investors. Therefore, "a growing number of socially responsible investors consider ESG information in their investment allocations, suggesting that such information has become more important in the investment process than in the past". (Amel-Zadeh & Serafeim, 2018: 89).

Also, according to the study by Amel-Zadeh and Serafeim, (2018), 82% of investors surveyed suggest using ESG information because it is financially important for investment performance. Furthermore, they noted that "Overall, investors consider that all ESG strategies, with the exception of negative screening methods, have a positive impact on returns". Unfortunately, ESG criteria do not allow for a decision that is so simple that it is difficult to compare information reported by companies (Amel-Zadeh, Serafeim, 2018: 89). However, according to Nitani, Carriere, and Bleackley (2015: 88) " A higher level of ESG integration is also associated with a higher level of transparency. Firms with high ESG integration are more likely to disclose more information, as they want to project their positive image as a responsible corporate citizen to investors and other stakeholders". This level of transparency on the part of companies can therefore help investors in their decision making.

3 Methodology

The term methodology represents all the methods and techniques implemented in a particular field. In other words, methodology is the set of rules and approaches adopted by a researcher during his or her research work in order to reach one or more conclusions. It allows a study to be carried out using survey methods and analytical tools.

“We can define research as something that people undertake in order to find out things in a systematic way, thereby increasing their knowledge.” (Saunders, M.N.K., Lewis, P., Thornhill, A., 2009: 5). “In contrast, the term methodology refers to the theory of how research should be undertaken.” (Saunders, M.N.K., Lewis, P., Thornhill, A., 2009: 3).

The research method generally follows an orderly path from observation, through a research problem, a research question, a hypothesis, a research objective and a method of resolution, to the discussion of the findings. This process can be grouped into three main phases:

1- Design phase of the object of study: In this phase, a research problem is selected and formulated, questions, objectives, hypotheses etc. are stated, relevant literature is identified, and a frame of reference is developed.
2- Methodological or data discovery and collection phase : During this phase, data collection methods and instruments are chosen, the population and study sample are defined, the data collection process is described, the plan for analysing the data collected is presented, and finally, the data is collected.
3- Processing phase: data presentation and interpretation
Initially, documentary research and literary research allow to get acquainted with research works and other articles, decrees of laws, academic works, about a subject. The aim is to establish a knowledge base from which to draw inspiration. Thanks to a better mastery of the subject, this work will then allow the formulation of relevant hypotheses and problematics.

Indeed, after studying the existing literature, it appeared that an increasing number of studies highlight the importance of ESG criteria, as shareholders mainly base their decisions on them when deciding whether to invest. As one of the goals of the finance department is to satisfy its shareholders, it has to take these criteria into account in their report and their way of doing things. Therefore, we are going to look at the ESG criteria that finance departments have to deal with. To do so, we will analyse, through a case study, the ESG criteria of different French companies in the food industry. CSR plays a particularly important role in this sector, which has been undergoing profound upheavals for several years due to increasingly strong societal expectations. Consumers seeking transparency on production processes, environmental impacts and the deployment of good agricultural and industrial practices are changing their purchasing habits. Agri-food companies are therefore particularly concerned by Corporate Social Responsibility (CSR) approaches because of their strong impact on natural, social and economic environments, the three pillars of social responsibility: in other words, their role as major players in sustainable development.

A case study is an in-depth study of a fact, a subject, a phenomenon, an institution or a group of people. It provides qualitative information through a specific study of a given case.

The aim of a qualitative study is to understand or explain a phenomenon (group behaviour, a phenomenon, a fact or a subject). It is a more descriptive research method that focuses on interpretations, experiences and their meaning. This type of study is based on the collection of data obtained through two main methods: observations and interviews. These data, which are not statistically measurable, must then be subjectively interpreted. The results of a qualitative study focus on interpretations and their meaning. They are usually expressed in words. In the qualitative approach, the researcher starts from a concrete situation involving a phenomenon that needs to be understood and not demonstrated, proven or controlled. He wants to give meaning to the phenomenon through or beyond the observation, description, interpretation and appreciation of the context and the phenomenon as it presents itself.

The case study is therefore an in-depth qualitative study of one or few research objects, which allows for a broad and detailed knowledge of the objects. The basic idea of the case study is that if we carefully study any unit of a certain universe, we will be in the conditions to know some general aspects of it or we will have, at least, a perspective that will guide a later research. This method of analysis, which can be part of a qualitative study, proposes to use its analytical sense to understand a case or a situation and deduce several lessons.

However, I will have to be careful that the results of my qualitative research are not perceived as reflecting the opinion of a wider population. I couldn't generalize because each company has a different way of operating. Also, allowing for the general time scale of a Bachelor thesis, time limitations were a factor in the research and gathering of data for this work.

4 Results and analysis

For my case studies on ESG criteria in different French companies, I chose to focus on three food companies. It should be noted that the agri-food sector is a mixed sector because it is a sector between agriculture and industry. There are eight major families of food industries: the manufacture of processed food products; the manufacture of cereal-based products; the manufacture of oils, fats and margarines; the manufacture of various food products; the sugar industry; the meat industry; the dairy industry; and the manufacture of beverages and alcohols. We will focus on the last three with **Danone** in the dairy industry, **Fleury Michon** in the meat industry and **Pernod Ricard** in the beverage and alcohol manufacturing.

4.1 Presentation of selected companies

In this section we will briefly describe the companies selected for this case study. These three companies were chosen because they are first and foremost French agri-food companies, but also because they are listed on the stock exchange.

4.1.1 Danone

100 years ago, Isaac Carasso designed a simple food with the aim of improving health: by mixing ferments and fresh milk, he created a yoghurt that he affectionately named "Danone", after his son Daniel's nickname.

Danone is a French food multinational founded by Isaac Carasso in 1919 in Barcelona, Spain and headquartered in Paris. The company is listed on the Euronext Paris Stock Exchange, where it is included in the CAC 4010 stock market index.

It was formed in 1973 from the merger in 1967 of Danone and Gervais with the French group Boussois-Souchon-Neuvesel (known by its acronym BSN, which in turn was formed in 1966 from the merger of the Boussois ice cream company and the Souchon-Neuvesel glassworks). In 1994, it was decided to give the group thus formed in 1973 the name of its fresh products brand: Danone.

Over the years, the company has developed around four business lines: fresh dairy and plant-based products, bottled water, medical nutrition and baby nutrition. Present in more than 120 markets, in 2018 its sales amounted to €24.7 billion, with more than half in emerging countries, making it the world's leading company in fresh dairy and plant-based products and Europe's leading company in medical nutrition. The group employs more than 100,000 people worldwide and has more than 180 production sites (Danone, 2019).

4.1.2 Fleury Michon

Fleury Michon is a company in the French food industry, listed on the Paris stock exchange and a member of the CAC Small index. The Group specialises in processing pig carcasses into pork preparations and other food processing products.

In 1885, Félix Fleury, a pork merchant, created a delicatessen in La Roche-sur-Yon, and wrote his motto on his storefront: "Il faut faire les choses comme il faut" (“You have to do things the right way”). In 1905, Félix Fleury joined forces with Lucien Michon, his brother-in-law, a meat trader, both of whom were from the Vendée. Together, they filed the first legal articles of association for Établissements Fleury & Michon in 1905. They set up their offices in Les Halles de Paris.

The First World War brought their business to a halt. It was not until the 1920s that Pierre Fleury (second generation) relaunched the charcuterie business and built the company's real foundations by developing an integrated slaughtering, meat cutting and charcuterie-salting business. In 1934, they set up a slaughterhouse in Pouzauges. Fleury Michon products were then sold to wholesale pork butchers and retailers.

In 1954, Fleury Michon began slow-cooking vacuum-packed ham. In 1964, the company launched its self-service pork butchery processing lines in supermarkets. In 1937, Fleury Michon introduced a thirteenth month's payout, and in 1942, it introduced a mutual insurance scheme for all employees.

Outside France, the company is present in eight countries (Canada, Norway, Belgium, Luxembourg, Switzerland, Slovenia, Italy and Spain) and has seven production sites (in Canada, Slovenia, Spain and Italy). It markets Fleury Michon-branded products in Canada, Norway, Belgium, Luxembourg, Switzerland and Slovenia. In Spain the products are marketed under the Platos Tradicionales brand and in Italy under the Viva la Mamma brand with Fratelli Beretta. (Fleury Michon, 2020)

The Fleury Michon Group posted cumulative revenue of €725.4 million at 31 December 2018, up 1.2% compared with 2017. This increase is due on the one hand to the acquisitions of Paso and Good Morning, which generated revenue of €21.4 million, and on the other hand to the continued development of their strategy to serve the mission of "Helping people eat better every day" across all businesses. (Fleury Michon, 2019)

4.1.3 Pernod Ricard

Pernod Ricard is the world's No. 2 in Wines and Spirits, with consolidated sales of € 8,987 million in FY18. Created in 1975 through the merger of Ricard and Pernod, two anise-based aperitif brands, the Group has grown both organically and through acquisitions: Seagram (2001), Allied Domecq (2005) and Vin&Sprit (2008). Pernod Ricard, which owns 16 brands in the top 100 spirits brands, has one of the most prestigious portfolios in the sector, including Absolut vodka, Ricard pastis, Ballantine's Scotch Whiskies and Chivas Regal, Royal Salute and The Glenlivet, Jameson Irish Whiskey, Martell cognac, Havana Club rum, Beefeater gin, Malibu liqueur, Mumm and Perrier-Jouët champagnes as well as Jacob's Creek, Brancott Estate, Campo Viejo and Kenwood wines. Pernod Ricard's brands are distributed in more than 160 markets, 73 of which are served by its own sales forces.

The Group's organisation is based on the principle of decentralisation. This is based on respect for the operational autonomy of the subsidiaries and the general strategic principles defined at Group level. It is based on the interaction of three entities: the head office, the brand companies and the market companies. Headquarters: coordinates and controls the implementation of the global strategy while ensuring that the subsidiaries comply with Group policies. The Brand Companies: ensure the global strategy of the brands and their production. The Brand Companies: activate the strategies of the international brands at local level and manage the local and regional brands in their portfolio.

The Group's decentralised organisation enables its 19,000 employees to act as ambassadors of its vision of "Creators of Conviviality". Reaffirmed by its three-year "Transform and Accelerate" strategic plan deployed in 2018, Pernod Ricard's strategy focuses on long-term investments and profitable growth for all its stakeholders. The Group remains faithful to its three founding values: entrepreneurial spirit, mutual trust and ethics. As illustrated by their roadmap to 2030, "we preserve in order to share" and support the United Nations' Sustainable Development Goals. In recognition of its ongoing commitment to sustainable development and responsible consumption, Pernod Ricard was awarded the Ecovadis gold medal and is ranked No. 1 by Vigeo Eiris. Pernod Ricard is also a member of the United Nations LEAD Global Compact. Pernod Ricard is listed on Euronext and is part of the CAC 40 index. (Pernod Ricard, 2016) (Pernod Ricard, 2018.)

4.2 Comparison of ESG criteria

In this section, we will compare the three companies on a criterion-by-criteria basis. For this case study we will use the reference documents and annual reports of 2018 for Danone and Fleury Michon and 2017-2018 for Pernod Ricard.

4.2.1 Environmental criteria

4.2.1.1 Danone

Danone's environmental approach is based on four key ambitions: the fight against climate change, the protection of water resources, the co-creation of a circular economy of packaging and the promotion of regenerative agriculture.

The company fights climate change by reducing their environmental footprint and striving to sequester more carbon. It is committed to achieving carbon neutrality throughout its value chain by 2050. To this end, it wants to increase its level of renewable electricity.

Danone has adopted a specific organisation and a water management strategy that concentrates its actions in the most at-risk areas, supporting locally adapted solutions for water quality, quantity and accessibility. The Multinatio-nal fights for the protection of natural water resources in their catchment areas but also for the reduction of water consumption in their production sites.

On the other hand, Danone has committed to play a role in accelerating the transition to a circular economy and to ensure that all their packaging will be recyclable, reusable or compostable by 2025. They also want to take steps to reduce food waste.

The agricultural system today faces major challenges such as the impact of climate change, animal welfare, loss of biodiversity and water scarcity. The company is therefore working with its partners to develop competitive, inclusive and resilient regenerative agriculture models. (Danone, 2019. 2018 Registration Document: 157-210)

Danone was evaluated by CDP in 2018. CDP is an international non-profit organization, formerly known as the Carbon Disclosure Project. It holds the world's largest database on the environmental performance of cities and businesses. CDP encourages investors, companies and cities to take action to build a truly sustainable economy by measuring and understanding their impact on the environment.

Companies are then evaluated on the basis of 4 criteria: "Levels":
Leadership (A): the "Best Practice" of companies
Management (B): environmental management
Awareness (C): companies aware of the influence of environmental issues
Disclosure (D): the company provides all the required data and answers all the questions in the questionnaire.
In 2018, Danone received an A- for forests (palm oil, soybean and timber), A for climate change and B for water. (CDP, 2019)

4.2.1.2 Fleury Michon

Fleury Michon's environmental priorities are pollution prevention, sustainable use of resources (energy, raw materials, packaging) and environmental protection, in particular the fight against climate change. The Group plans to integrate environmental issues into management and decision-making processes, particularly in the areas of energy consumption and packaging. Quantified targets for reducing environmental impacts by 2020 have been set for France. They relate to 3 main areas:
-energy efficiency;
-the reduction of greenhouse gas emissions;
-and the recycling of industrial waste.
Given the multiplicity of factors influencing these objectives, a global vision for a given period seems more relevant than an annual vision of these same objectives. At the same time, each production site sets its annual targets for energy efficiency and recycling of industrial waste, taking into account the Group's overall objective for 2020 and the site's own development and business prospects.

Because of its business, Fleury Michon is particularly concerned by discharges into water. The Company therefore pays special attention to wastewater management and treatment to improve purification efficiency. Fleury Michon has set up a system enabling production sites to be directly connected to their own wastewater treatment plants.

Fleury Michon has two main categories of consumables. First, food raw materials used in recipe design and second, packaging. As their business is directly dependent on the availability and renewal of these resources, they strive to optimise their use. Fleury Michon is therefore involved in developing solutions using bio-sourced materials, single-material packaging or incorporating recycled materials in partnership with research laboratories, universities and suppliers' research centres. Fleury Michon continues its efforts to increase the proportion of packaging on the market that can be recycled or reused. A packaging unit was set up in late 2018 to work specifically on these issues.

Meat products are among the raw materials with the highest GHG impacts. Fleury Michon's operations have an impact on biodiversity through its sourcing. As part of its corporate responsibility approach, Fleury Michon is developing responsible sourcing channels and principles for taking biodiversity into account in its purchasing rules. The Company has made a commitment to the Bleu-Blanc-Cœur association, which focuses on protecting biodiversity and reducing greenhouse gas emissions. (Fleury Michon, 2019. Document de référence 2018 : 123-143)

4.2.1.3 Pernod Ricard

Pernod Ricard's Environmental Policy aims to prevent the risks that environmental factors pose to the Group, as well as to reduce the impact of its business on the environment.

The risk factors are mainly related to climate change. They concern, for example, the availability of water resources, the supply of agricultural raw materials, or the occurrence of exceptional weather events that could affect production sites. Risks related to the environment are also reflected in changes in regulations in the countries in which the Group operates, whether in the form of restrictions on activity or taxes. The presentation of these risks and the measures taken to prevent them is presented in Part 4 "Management Report" in the sub-section "Risk Management".

In addition, each stage in the life cycle of their products generates direct and indirect impacts on the environment, whether on ecosystems, water resources or the climate:

Figure 1. Activities and main environmental impacts of Pernod Ricard (Pernod Ricard, 2018. REGISTRATION DOCUMENT 2017-2018: 103)

Pernod Ricard's Environmental Policy is based on the analysis of these risks and impacts and aims to anticipate and adapt operational activities in order to move towards a more circular, resource-efficient and environmentally friendly model. This policy is based on five areas of commitment:

- the deployment of an effective environmental management system;
- the promotion of sustainable agriculture and the protection of biodiversity;
- the preservation of water resources;
- the reduction of the carbon footprint;
- developing sustainable products and reducing the impact of waste.

It covers all the Group's activities and the value chain, from upstream supply, production, market distribution and product end-of-life. It is aimed at all stakeholders, starting with all their employees worldwide, as well as their many suppliers and partners. (Pernod Ricard, 2018. REGISTRATION DOCUMENT 2017-2018: 103-127)

4.2.2 Social criteria

4.2.2.1 Danone

Through their various social innovation platforms, Danone provides its many employees with a safe, inclusive and diverse working environment, based on constructive social dialogue and appropriate talent management and development.

Danone contributes to four funds through which it invests in new business models for a more sustainable future:

Danone Communities invests in companies with a strong social impact that aim to facilitate access to drinking water and combat malnutrition. The Fund supports innovative social entrepreneurs and enables the local development of products and services that have a daily impact on the lives of more than one million people.

The Danone Ecosystem Fund aims to strengthen and develop activities of general interest within Danone's ecosystem, including stakeholders such as smallholders, micro-entrepreneurs, caregivers and waste collectors. The Fund supports projects co-developed by a local Danone subsidiary and a non-profit partner, seeking to address social and economic as well as environmental or public health challenges. The Fund carries out actions in the areas of employment, skills and employability, access to knowledge and micro-entrepreneurship.

The Livelihoods Carbon Fund supports the efforts of rural communities in developing countries by restoring their natural ecosystems and improving their living conditions while strengthening their food security and increasing their income. Building on the results generated by the first Livelihoods Carbon Fund, a second compartment of the Livelihoods Carbon Fund was created by investors in 2018 to accelerate their actions in the fight against climate change and the protection of vulnerable populations.

The second fund created by Livelihoods, the Livelihoods Fund for Family Farming (L3F), offers companies innovative solutions to build a win-win relationship with small producers. L3F projects enable smallholders to adopt more efficient and environmentally friendly farming practices while being more effectively connected to the business value chain. The Fund aims to build a sustainable supply chain for businesses while improving the incomes and living conditions of smallholders. L3F thus also responds to the challenges of environmental degradation, climate change and rural poverty.
(Danone, 2019. 2018 Registration Document: 157-210)

4.2.2.2 Fleury Michon

The Human Resources Policy aims to support the transformation of the company brought about by the project "Helping people eat better every day"; to anticipate the evolution of tomorrow's skills and maintain the employability of teams through effective HR management; to develop a management style based on individual responsibility, performance, proximity and teamwork in accordance with their values; to animate the dynamic, interactive and motivating internal communication system; to manage social relations through permanent dialogue, openness and living together; and finally to manage diversity, talents, individual and collective motivation.

Fleury Michon places people at the heart of its corporate project and is committed every day to implementing all conditions to ensure the safety of employees and all people on its sites. The Group also strives to protect the physical and psychological health of employees by constantly improving working conditions. Indeed, the company has been implementing a health and safety prevention policy for many years. Safety prevention budgets are mainly found in capital expenditure budgets since all projects are subject to a review of working conditions and include lines for safety in their budgets.

The Fleury Michon Group also aims for the best possible customer and consumer satisfaction. Work organisation is built around customer needs to meet consumer expectations. This is also done in accordance with Fleury Michon's organisational structure:

- organising teamwork through company-wide agreements;
- meeting customer needs while balancing employees' professional and personal lives; adapting to needs as soon as necessary;
- to adapt to needs as soon as necessary; and to innovate socially while respecting everyone's rights and duties.

For Fleury Michon, diversity is a source of wealth for its development. For more than 20 years, the Company has been a major player in diversity through a number of initiatives, including policy to combat discrimination, equality in working conditions, men and women, employment for employees with disabilities, adapting the work organisation, for the population of senior employees, and more employees with disabilities.

Fleury Michon's economic dynamism benefits an entire ecosystem. The revenue generated by the Group helps to fuel stakeholder activity and contribute to financing local and national economies. The allocation of net profit enables them to pay dividends to shareholders and reinvest in the development of their businesses to ensure their long-term viability.

Reinventing food to eat better tomorrow is a major social issue. Fleury Michon has created an association, the “Manger Mieux” association, to promote responsible eating that respects people and the environment. It also aims to raise awareness of the importance of eating well and highlight the link between food, well-being, health and the environment, and to deploy or drive any action or event to publicise, promote, exchange and disseminate initiatives in favour of better nutrition. This Association's vocation is to organize or sponsor events, to publish publications, to co-finance projects related to its purpose.

The company is also a partner of charitable associations whose objective is to provide food aid to the neediest (Banque Alimentaire, Secours Populaire, Restos du Cœur, Halte du Cœur...).

4.2.2.3 Pernod Ricard

About its social criteria, Pernod Ricard has chosen to make its employees responsible, as they are the guarantors of the Group's credibility and the first ambassadors of the company's commitments. Therefore, they are placed at the centre of the CSR model. The Group has also developed their local communities and involved their partners: the company makes long-term investments alongside the communities in the markets where it operates, by involving suppliers and partners in its responsible initiatives. The group's mission is to spread a culture of sharing and a philosophy of exchange among these communities. Finally, promoting responsible consumption is also one of the pillars of the company. This is based on three fundamentals: targeting behaviours and populations at risk (young people, pregnant women), taking preventive action through education and awareness raising (customers, suppliers), and being as close as possible to local issues through the direct involvement of their subsidiaries in the bodies or preventive actions carried out by third parties in their markets.

Pernod Ricard has made diversity a leadership issue through the "Better Balance" initiative, which aims to promote a better balance of profiles within management teams, with a focus on nationality and gender. It is seen as a real performance lever for the company, which wishes to reflect the diversity of its consumers (93% of sales are generated internationally, and a growing proportion of consumers are women)". Better Balance" is a strategic initiative in which the Executive Committee has made a strong commitment to both raise awareness among teams and determine a global action plan for the long term.

Pernod Ricard has made an official commitment to health and safety issues in its sustainable development commitments. This commitment applies to the entire Group and is supported by Management.

In all countries where it operates, the Group has a strong tradition of social dialogue and promotes respect for freedom of association. It is also convinced of the importance of a professional environment that optimizes working conditions. Pernod Ricard therefore devotes a section of its Group social reporting to social dialogue.

In line with the ambition set out in its signature "Créateurs de convivialité" (Creators of conviviality), Pernod Ricard is fully committed to promoting responsible drinking and conviviality. To ensure that the consumption of their products is an enjoyable and safe experience, Pernod Ricard encourages moderate alcohol consumption and combats inappropriate consumption through awareness and education campaigns, conducted individually or in partnership with other members of their industry, non-profit organisations and public authorities. The Group has also defined strict internal criteria for responsible marketing through its Code on Commercial Communications.

Pernod Ricard has allocated substantial resources to: ensure that the public is properly informed of the risks that excessive or inappropriate consumption of its products may cause; label its products in a transparent manner; disseminate its Code on Commercial Communications and the Internal Approval Committee procedures to employees and communication/marketing agencies; and organise training for its sales and marketing personnel in responsible marketing and sales practices.

Pernod Ricard has also adopted an anti-corruption policy that applies to all Group companies. Brand Companies and Market Companies are required to implement systems and control mechanisms to comply with this policy, including the adoption of local versions of the Group's policy. (Pernod Ricard, 2018. REGISTRATION DOCUMENT 2017-2018: 83-102)

4.2.3 Governance criteria

4.2.3.1 Danone

Governance according to Danone is based on the implementation of an effective decision-making process, steering with all the company's stakeholders and an evaluation system.

It includes the procedures, rules and structures that are put in place to ensure the transparency of its operations and the balance of power between shareholders, directors, managers, but also employees, suppliers and customers.

Their key principles of corporate governance are that control should be independent of management and corporate strategy, power should be distributed in a balanced manner, and the management of the board of directors should be diverse and experienced.

Finally, the company has put in place appropriate governance, policies and actions to meet the highest standards of compliance. (Danone, 2019. 2018 Registration Document: 215-284)

4.2.3.2 Fleury Michon

Fleury Michon's Corporate Governance ensures that sound management and consistent corporate development ensure the Group's long-term economic performance, long-term viability and jobs. It is based on the corporate governance code drawn up by Middlenext[5] for mid-cap companies. The Board of Directors' general mission is to review and approve the business strategies of the Fleury Michon Group. It is made up of five independent directors, five directors representing shareholders of the founding families and two directors representing employees. The presence of independent directors contributes to the Group's commitment to good management, safety and sustainability.

The Fleury Michon Commitment Charter consists of five main rules:
-compliance with laws and regulations under all circumstances;

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[5] Middlenext is the independent French not-for-profit professional association exclusively representative of mid-cap listed companies. Created in 1987, Middlenext brings together and exclusively represents companies listed on Euronext and Euronext Growth, across all sectors of activity. (Middlenext, 2020)

-Compliance with laws and regulations in all circumstances; - Transparency and consistency within the Company through clearly identified management bodies, whose duties and membership are clearly defined;
-the primacy of corporate bodies by deploying all the resources required for their operation;
-equity among shareholders through clear and transparent communication in line with international practices;
- Fairness between shareholders through clear and transparent communication in line with international practices. Lastly, respect for the values that underpin Fleury Michon's identity, i.e. service excellence, mutual respect, mutual trust, ongoing dialogue, sustainable community interest and continuous adaptation.

In 2017, as part of its efforts to comply with the SAPIN II Act, the Company drew up an anti-corruption code of conduct to supplement its Principles of Ethical Conduct for Group employees. The principles cover three areas:
-respect and promotion of a fair view of business with customers, suppliers, competitors, service providers and shareholders, reinforced by the implementation of the code of conduct and the warning system;
-the protection and promotion of the Company through its tangible and intangible assets, its image and its reputation;
-respect for the integrity of people through consumers, employees and civil society in general.

Fleury Michon has opted for a responsible tax policy and a sound financial strategy. They are transparent about their tax policy and want it to be fully in line with their corporate responsibility strategy. The Group therefore adopts a citizen's attitude that consists not only in complying with legislation but above all in making a fair contribution to the countries in which it operates. Fleury Michon pays the taxes due in the countries where it operates. In this way, they contribute to their development and to maintaining a stable economic environment in these countries, with high-quality public services (health, education, safety, transport, etc.) that benefit everyone, including the Group itself. In the same way, Fleury Michon maintains a sound financial strategy, based on the principles of "prudent management". Financing for Group investments is arranged with banking partners with whom Fleury Michon has regular, bilateral, long-term relationships. Lastly, the Group maintains a significant level of cash flow, ensuring security and agility. (Fleury Michon, 2019. Document de référence 2018 : 123-143)

4.2.3.3 Pernod Ricard

The Group's management structures are organised around the General Management, represented by Alexandre Ricard, the Executive Board and the Executive Committee.

The Board of Directors plays a key role in the governance of the Group. It oversees the interests of the company and its shareholders in an ethical and transparent manner, while taking care of its stakeholders. Bringing together individuals with complementary skills and experience, the Board determines the Group's strategic orientations with the main objective of increasing the value of the company. Since 2009, the Group has complied with the recommendations of the AFEP-MEDEF[6] code of corporate governance for listed companies. The relationship between the Group and its shareholders is based on trust, dialogue and transparency.

Its 14 Directors, including 2 representing employees and 8 independent directors, meet on average 8 times a year for meetings chaired by the Chairman of the Board, who is also the Group's Chief Executive Officer. The Board reports to the General Meeting through its Chairman. As the guarantor of the proper functioning of the company's bodies, the Chairman must ensure that the Directors are able to fulfil their mission. In order to make this collegial body more dynamic and more in touch with the operational reality of their company, the Group has given it access to its internal social network and holds one Board meeting per year in an operating subsidiary.

Periodically, and at least once a year, the Board of Directors devotes an item on its agenda to a debate on its operation, with a view to examining its composition, operation and organisation and ensuring that important issues are properly prepared and debated.

The Group's internal control and risk management principles and procedures are part of a corporate governance framework that complies with the “Autorité des Marchés Financiers” (Financial Market Authorities) reference framework on risk management and internal control.

[6] The AFEP-MEDEF Code is the reference code for listed companies in terms of corporate governance. It defines the principles of good corporate governance by introducing rules on executive compensation, control and transparency. Published for the first time in September 2002, this code is regularly revised. (AFEP,2018)

The mission of the Board of Directors is to assess the relevance of the company's Sustainable & Responsible (S&R) commitments and to ensure the monitoring of their implementation within the Group through the Appointments, Governance and CSR Committee.

An S&R Strategy Committee brings together employees from all geographical areas and from all functions. Its main missions are to make analyses and recommendations on strategic S&R issues to the Executive Committee, to ensure the proper implementation of S&R initiatives and to validate the assessment of progress made each year.

A network of S&R leaders from more than 86 countries work under the direction of their subsidiary to implement the strategy at the local level. (Pernod Ricard, 2018. REGISTRATION DOCUMENT 2017-2018: 31-82)

Table 3. Summary table comparing ESG criteria

	Danone	Fleury Michon	Pernod Ricard
Environmental	Climate Change; Water management; Circular economy and packaging; Regenerative agriculture; Fight against food waste and GHG; Environmental Management.	Pollution prevention (GHG reduction, wastewater) Sustainable use of resources (energy, raw materials, packaging); Protection of the environment (fight against climate change);	Deployment of an effective environmental management system; Promotion of sustainable agriculture and protection of biodiversity; Preservation of water resources; Reduction of the carbon footprint; Development of sustainable products and reduction of the impact of waste.
Social	Social Dialogue; Occupational health and safety; Employee development; Inclusive Diversity; Human rights.	Diversity, employee health and safety; Best possible customer and consumer satisfaction; "Manger Mieux" Association; Charitable partnership.	Empowering collaborators; Developing local communities; Promoting responsible consumption; Employee diversity, health & safety; Social dialogue; Anti-bribery policy.
Governance	Independent oversight of management and corporate strategy; Effective Board accountability; Balanced distribution of powers; Diverse and experienced Board leadership; Appropriate Board refreshment; Fight against corruption.	Long-term economic performance: sustainability of the Group and jobs Good management, safety and sustainability; Legal compliance and transparency; Equity among shareholders; Respect for founding values; Responsible taxation and a sound financial strategy; Anti-corruption code.	Seeks to protect the interests of the company and its shareholders in an ethical and transparent manner; Main objective is to increase the value of the company; S&R Strategy Committee; AMF Terms of framework; Fight against corruption.

5 Conclusions and recommendations

On the basis of the primary data collected for this Bachelor's thesis, we can assume that ESG criteria are the most important criteria to take into account for a company and especially its financial department, as they are the most used by investors to find out which companies to invest in. ESG information contributes, along with financial and accounting information, to improving the understanding of a company's strategy and informing investment decisions. It is an important analytical tool as it can provide investors with a better assessment of the reputational risks and opportunities facing the company in the short, medium and long term, thereby reducing information asymmetry and conflicts of interest.

Unfortunately, as indicated in the section of the thesis devoted to the analysis of the literature, the Governance criterion is placed at a higher level of importance than the Environmental and Social criteria. In fact, during my research based on the reference documents of the various companies I was able to see that it is never treated at the same level. There is always a large part where we talk about the Environmental and Social criteria and then another part just as large or even more for the Governance criterion.

This is not at all surprising because, as Friedman's famous and provocative formula explains, the only social responsibility of a company is to increase its profits and the remuneration of those who own it, i.e. the shareholders. However, in order to move towards a sustainable economy, investors must stop focusing on short-term finances and turn to long-term value creation by conducting fundamental research on the companies in which they invest.

However, attempts to integrate ESGs are generally superficial in overcoming this problem. The research results indicate that the French companies in the agri-food sector studied have much in common in terms of implementing actions to benefit the environment, social and governance criteria. For example, it is often found that for the environment, companies seek to pay attention to climate change by paying attention to their management of water, agriculture, waste and their carbon footprint. Concerning the social criteria, the actions implemented jointly are diversity, health and safety of employees, social dialogue, and the satisfaction of customers, consumers, suppliers and other stakeholders. Finally, for the Governance criterion, the common points are the fight against corruption, ethical and responsible taxation and regular renewal of the Board of Directors.

Regarding the differences, we can note that they are not really "significant". It would be interesting for companies to find a way to really differentiate themselves in a positive way, in particular by implementing actions concerning ESG criteria. Moreover, there are some benefits for firms to improve their ESG ratings as this could increase their performance.

Here are some recommendations for companies that want to make ESG reporting more visible and educational:
- Publish ESG information about the management company in a single document, easily accessible on the website;
- Present in a clear and structured manner the management company's approach to ESG and climate issues and its recent developments;
- Make the ESG and climate approaches transparent in relation to the management company's overall strategy: display assets under management taking into account the ESG criteria and their weighting in relation to total assets under management, and list the main ESG indicators, including the climate indicators used;
- Group the main ESG criteria by major themes, provide a precise definition, and explain their use with regard to the management policy followed;
- Display simple and easily measurable indicators on the risks associated with climate change;
- Where ESG criteria are not explicitly considered in the investment strategy, present the general actions taken by the management company in relation to ESG criteria.

All these common points lead us to wonder whether these are not mandatory criteria to be considered in the eyes of investors and consumers. All companies are now beginning to understand that they must implement good practices to comply with the principles of sustainable development, i.e. be economically viable, respect the environment and have a positive impact on society. It is in the interest of companies to work on their image and reputation by contributing to the social good, to meet the expectations of consumers who are becoming more and more demanding with regard to companies and their role in society, and therefore to remain competitive. But setting up a CSR policy just to do like everyone else or to use it as a simple communication tool is also severely sanctioned by public opinion. The accusation of greenwashing awaits companies at the turn of the century. Greenwashing consists for a company in communicating in a hypocritical or misleading way about its CSR practices, to camouflage other questionable practices it is doing elsewhere or simply to give itself a good image that is not consistent with the reality of its activities.

The other criticism to which companies are exposed is that of giving themselves a good conscience with a CSR policy, but not operating ethically elsewhere in the company, whether in relations with its stakeholders (suppliers, employees, etc.), its customers or simply in its general corporate governance. Indeed, can we really talk about ethics when one company sells products based on cow's milk, forcing cows to produce a quantity of milk to exhaustion, another kills animals by the millions, and the last one sells alcohol whose harmful effects have clearly been demonstrated?

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